

Greetings,

On March 20, 2011, it was announced that AT&T No. 2 and T-Mobile USA No. 4 wireless carrier in the US have agreed on a 39 billion buyout merger. The problem with this merger is, it will not benefit the American people. With this merger, AT&T will be placed as the number 1 carrier in the United States with 130 million subscribers. (1. paragraph 2)

On top of being the top provider it will have a domino effect, Verizon will follow suit with acquiring Sprint which will result in a duopoly. (2. paragraph 1) What that means is that we'll have less options to choose from in the wireless industry. It would be similar to saying you can either buy a Ford or Chevy, with no options to buy any other brands. What we need now and especially in this time; is competition. We need to be able to choose what we want not be limited 2 mega giants in the wireless world.

AT&T will argue that we as consumers in our market have 4-5 different regional options, but they don't state that those regional carriers rely on AT&T, Verizon and Sprint towers in order to provide them service. (3. paragraph 9 and 10) And if this merger goes through, what will stop AT&T and Verizon from jacking up rates to regional carrier for roaming? What will happen, if those regional carriers can no longer operate? will they be bought out by the big 2?

What will happen to Sprint if this merger goes through? (6.) It's bad enough that Sprint is already struggling to Verizon and AT&T. (4.) Furthermore, it's uncompetitive when we have the number 1 and 2 wireless carriers already claiming 70-80 percent of the wireless market.

What I realize is everyone loses in this deal. In a article that I found by Om Malik it states many points that will make this deal a lose-lose situation. It will have an effect on everyone not just the consumer but everyone.

He states in his article (5.):

"Consumers. The biggest losers of this deal are going to be the consumers. While AT&T and T-Mobile are going to try to spin it as a good deal to combine wireless spectrum assets, the fact is, T-Mobile USA is now out of the market.

T-Mobile USA has been fairly aggressive in offering cheaper voice and data plans as it has tried to compete with its larger brethren. The competition has kept the prices in the market low enough. This has worked well for U.S. consumers. With the merger of AT&T and T-Mobile, the market is now reduced to three national players: AT&T, Verizon and Sprint. Net-net, U.S. consumers are going to lose.

Phone Handset Makers. Before the merger was announced, the handset makers such as HTC and Motorola had two major carriers who could buy their GSM-based phones. They just lost any ability to control price and profits on handsets because now there is a single buyer that can dictate what GSM phones come to market. Even with LTE becoming the standard for the 4G world, it would essentially be a market dominated by three buyers (should Sprint go with LTE), which would place handset makers at the mercy of the giants.

Sprint. The nation's third-largest carrier was in talks to buy T-Mobile according to Bloomberg, but AT&T's offer has now pushed Sprint to the bottom of the pile in terms of size and potentially spectrum assets if it goes through. If it doesn't go through, then Sprint now has a price it has to match in order to get its hands on T-Mobile. Plus, Sprint and T-Mobile often stood against AT&T and Verizon on a variety of regulatory issues, so if AT&T succeeds, Sprint will stand alone on special access and other issues.

Network Equipment Suppliers. The carrier consolidation has proved to be a living hell for companies that make infrastructure network equipment. Alcatel-Lucent, along with Ericsson and Nokia Siemens, are suppliers of gears to both AT&T and T-Mobile USA. With a single customer, they will lost ability to control their own fate and are going to see their profits suffer as a result.

Google. I think the biggest loser in this could be Google. In T-Mobile, it has a great partner for its Android OS-based devices. Now the company will be beholden to two massive phone companies in Verizon and AT&T who are going to try to hijack Android to serve their own ends.

Don't be surprised if you see AT&T impose its own will on what apps and service are put on its Android smartphones. I wouldn't be surprised to see the worst phone company in the U.S. (according to Consumer Reports) tries to create its own app store and force everyone to buy apps through it.

It doesn't matter how you look at it; this is just bad for wireless innovation, which means bad news for consumers. T-Mobile has been pretty experimental and innovative: It has experimented with newer technologies such as UMA, built its own handsets and has generally been a more consumer-centric company. AT&T, on the other hand, has the innovation of a lead pencil and has the mentality more suited to a monopoly: a position it wants to regain."

Further more, people have been commenting on several pages that they DON'T want this merger to happen. AT&T customers and T-Mobile customers alike, do not any real benefits of this merger. What is it going to take for AT&T and T-Mobile to realize that this will not benefit us as a consumer, rather it will only benefit them, their stocks, shareholders and executives pockets.